

# HIGHLIGHTS

## WEEK ENDING: JANUARY 24, 1992

### INDUSTRY WEEKLY VOLUME

- Industry volume for the week was 5.6 billion units, -36.7% below the seasonally adjusted going rate, and -2.7% less than projected. Volume for the third consecutive week reflects inventory liquidation by major accounts following 1991 end-of-year price increase programs.

### PM WEEKLY VOLUME & SHARE

- This week's volume of 1.7 billion units was significantly below PM's seasonally adjusted going rate, but only marginally below expected levels. Sales for the third week in a row continued to be below normal as inventory was depleted following 1991 price increase purchasing.
- The wholesale trade depleted an estimated 2.2 billion units of excess inventory, leaving approximately 6.4 billion units of inventory remaining.
- Sixteen of the top 100 accounts purchased at or near normal rates this week (purchasing at least 80% of their estimated going rates). Two of the top ten accounts, Golden Distributors and Kroger purchased near normal rates, at approximately 80% and 70% of their going rates respectively.
- PM's weekly share of 31.3% of industry remained below normal, and was -5.4 points lower than the corresponding week year-ago due to different manufacturer payback rates. On a year-to-date basis through this week, PM represents 34.7% of industry, +2.0 points higher than 1991.

### DEVELOPMENTS

#### PHILIP MORRIS

- Rapid Fact data in supermarkets for week ending 1/5 reported a share of 20.2 for Marlboro, relatively stable with last week's share. The impact of the initial mailing of the \$4.00 Marlboro Direct Mail program may have offset the impact of the Discount category's historical increase during the first week of the month.
- According to Rapid Fact Supermarket data, increased share performances of Virginia Slims and Benson & Hedges and stable share levels for Merit may have benefited from various year-end 1991 Direct Mail programs including a \$5.00 multi-brand mailing and \$3.00 Merit Coupons.
- Alpine will run an FSI in Sunday newspapers on January 26 (2.73 million circulation) in key offensive Salem markets, offering \$1 off 2 packs with a bounceback offer for coupons worth \$4.00.

### COMPETITIVE:

- The latest audit of maximum volume outlets (selling at least 3000 CPW) for the week of 1/13/92 reported:
  - an increase in average discount values for the three major branded generics, Viceroy, Doral, and Cambridge, a reversal of prior trends. However, Doral did not increase as much as the other brands because of a reduction from \$4.00 to \$3.00 in discount values in part of the sample. This appears to be a "matching" strategy to PM's Cambridge where \$3 coupons were available. RJR may also be attempting to reduce funds spent on Doral in order to reallocate them towards the Camel Wides introduction and the February Salem Wrap promotion.
  - American FF/Lts brands has increased discounts to \$5.00 in 10% of outlets. Previously, most of the discounts were \$2.00 and \$3.00 values.
- The discount category in Supermarkets increased +0.3 points this week, consistent with, but lower than the increases that occurred historically during the first week of a month. Overall, the category has been significantly off trend during December, possibly impacted by increased levels of support for Premium brands.

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